

MAY 2018 Update

Macro Base Station Transceiver Update

Major changes to the forecast over the last three months include:

1. Mobile Experts has added shipments of 5G NR base stations in 2018 and 2019 to account for AT&T's initial deployment. Longer term quantity has not changed for now.
2. We reduced our 2018 projection for TD-LTE base station shipments based on news out of China that indicate quicker slowdown in deployment.
3. We further reduced our 2018 projections for 3G and LTE base stations to account for the ban on shipments to ZTE. Our current working assumption is that the ban will shut down ZTE for three months...but the impact could be much larger if the ban remains in place throughout 2018 and beyond.
4. We have adjusted the breakdown of single mode vs multimode radios, to forecast slightly quicker adoption of multimode capability in the last few percent of the market.
5. The regional transceiver forecast was adjusted to match the shutdown of ZTE in China, Asia Pacific, and Africa, essentially shifting the focus more to the USA and Europe during 2018.
6. Market shares have been updated to match with the latest OEM earnings announcements. Huawei announced 2017 growth of 2.5% in carrier business. Ericsson announced a constant-currency drop of 2% YoY, and Nokia's mobile broadband networks business dropped 10% YoY with a significant drop in North American deployment during Q1. Note that the ban on shipments to ZTE has not yet impacted market shares but we expect to see significant shifts during Q3 and possibly Q2.